

**D&D RFP Questions  
(127 - 142)**

**127. Page L-20 of the RFP states regarding the oral interview that "The location and logistics will be provided by the CO upon receipt of the offeror's Notice of Intent to Offer." We received confirmation that the CO received our Notice of Intent to Offer, but we have not as of yet received any details on the location and logistics for orals. Please provide any available details even if they are tentative to facilitate our planning.**

**Response:** The location and logistics of oral interviews will be provided following receipt of proposals.

**128. The Table C-2, Summary of Contract Deliverables indicates several plans have a deliverable due date 90 days after contract award (i.e. Surveillance and Maintenance and Facility Stabilization Program and transition.**

Several questions arise related to where the cost for these plans should be placed.

Questions:

- A. The deliverables are referenced in various PWS elements (i.e. C.2.2 for the S&M activity), are we to include the cost in the referenced PWS element in the table?
- B. If the cost is included in the PWS referenced, will these costs be subject to fee in accordance with the instructions in Section B, although the work occurs during the transition period?

**Response:**

- A. Costs that are charged during the transition period will not be fee bearing. Once contractor assumes full responsibility, costs shall be reported in the appropriate WBS elements and will be fee bearing.
- B. Transition activities, including document preparations required to be in place prior to the contractor assuming full responsibility, will not be fee bearing.

**129. H.42(1) States – “DOE will transfer on a quarterly basis a quantity of UF6 to the contractor in exchange for an equivalent fair market value of services. The contractor agrees to perform the services to the point at which total amount of services owed from the transfer does not exceed the fair market value.”**

**DOE further states in H.42(3), that they will “use a number of market indices (e.g., NUKEM, Trade Tech, and Ux Consulting) to develop the fair market value of the**

**natural uranium hexafluoride 30 days prior to the uranium transfer. The fair market value will be used to derive the amount of natural uranium hexafluoride.”**

**Question:** Will the fair market value of services take into account the transfer costs (including, among others, any discount negotiated with the broker or user that takes ownership of the uranium from the Contractor, transportation costs, tax costs, insurance costs, labor, G&A, post-transfer price fluctuation risk, and risk of long term liability derived from its ownership of the uranium) so that the D&D contractor receives a net value equivalent to the value of the services performed on DOE’s behalf?

**Response:** The fair market value of services will be a bilateral negotiation with the contractor.

**130. H.42(2) States that “Prior to the title transfer a detailed Uranium Transfer Plan that includes a description of compliance with the aforementioned laws and regulations shall be submitted to DOE”.**

**It further states “Quarterly modifications to the contract will be executed within 5 calendar days after *agreement* between DOE and the contractor, to codify the fair market value as the value of the barter.**

**Questions:**

**A. Will this Uranium Transfer Plan include a mechanism for bilateral negotiation of the method for establishing the fair market value of the UF6?**

**B. What are the contractual consequences if the Parties are unable to reach a bilateral agreement on the Uranium Transfer Plan and the establishment of fair market value after award of the prime contract?**

**Response:** The fair market value of services will be a bilateral negotiation with the contractor. Fair market value of the UF6 will be developed using current standard market indices at the time of transfer.

DOE does not anticipate any issues reaching agreement on fair market value of services.

**131. DOE has indicated in previous response to comments that indemnification under DEAR 952.250-70, Nuclear Hazards Indemnity Agreement, and P.L. 85-804 will not be provided for any Contractor activities related to the disposition of uranium after it is transferred to the contractor.**

**Question:** Will DOE consider adding FAR 52.228-7, Insurance – Liability to Third Persons, and making this clause applicable to the Contractor activities that must be undertaken to transfer the uranium to another party?

**Response:** FAR 52.228-7 is required for cost reimbursement contracts. The RFP will be revised to include the FAR clause.

**132. In the Notice to Prospective Offerors, dated 8/18/09, DOE stated, "DOE intends to retain the current evaluation criteria, but will include consideration of the approach proposed by offerors to accelerate GDP D&D completion schedule in light of the increased funding profile assumption to \$400 million dollars annually for the first three years of the period of performance." Amendment A000004 provided no indication of how DOE plans to evaluate acceleration, nor have there been any changes to the Section M evaluation criteria relative to acceleration.**

**Question: How will DOE evaluate acceleration in the context of the section M evaluation criteria?**

**Response:** DOE has not changed the evaluation criteria. DOE has always intended to evaluate the offeror's schedule for cleanup. Evaluation Criterion 1 in Section M states "DOE will evaluate the depth, quality, completeness and effectiveness of the offeror's technical understanding of the major PWS activities (i.e., S&M, D&D, soils remediation, groundwater remediation, WM activities, and regulatory planning) to meet the objectives of Section C.1.3.". One of the objectives in C.1.3 is "Accelerate the current CD-1 estimated cleanup schedule while maintaining public and worker safety and health, environmental protection, and reducing risk".

**133. The notice to prospective offerors dated 09/16/09 advised offerors that DOE is removing the requirement for two separate submittals and extending the RFP submittal date. In light of the fact that the entire package will be submitted simultaneously, does DOE have any preference regarding how the criteria in Volume II are combined and submitted? For example, should offerors submit Criteria 1 and 3 in a single binder and Criteria 2, 4, and 5 in a separate binder as previously directed or may we submit all Criterion in Volume II in one binder?**

**Response:** The staggered submittals requirements were removed. Proposal information for Criteria 1 – 5 shall be submitted together as Volume II. Each volume shall be separately bound in three-ringed loose-leaf binders.

**134. DOE's Answer to Question 5 specifies that the D&D Contractor is solely liable for any tax consequences with tax costs being unallowable under the Contract. Please clarify whether tax related costs will be taken into account to determine the actual barter value of the uranium transferred to the Contractor.**

**Response:** Answer to Q&A #5 posted on the D&D website states "DOE's transfer of uranium to the D&D Contractor in exchange for services is an arms length transaction. The D&D Contractor is responsible for any and all taxes resulting from such transfer as payment for services. Tax costs incurred by the D&D Contractor with respect to the uranium will not be considered allowable costs under the contract."

DOE clarifies that the determination of "fair market value of services" will be a bilateral negotiation and modification to the contract at time of transfer.

**135. In the Answers on Draft Uranium Amendment, DOE affirms that the UF6 and its cylinders meet certain standards and specifications and states that "DOE is contractually obligated to provide natural uranium hexafluoride that meets the ASTM specifications." However, Amendment 4 does not include such a contractual requirement. Will DOE revise its solicitation to include these provisions in the contract, or ideally, provide a transferrable warranty so that the Government obtains the best market value for the uranium asset?**

**Response:** DOE does not intend to provide a warranty; however, DOE is contractually obligated to provide natural uranium hexafluoride that meets the ASTM specifications. RFP will be revised to include in H.42.

**136. How and when will DOE adjust the contract if the Secretarial determination is that the transfer will have an adverse material impact on the domestic uranium mining, conversion, or enrichment industry?**

**Response:** The situation envisioned in the question is not anticipated. However, any changes to the contract will be handled under the Changes clause, FAR 52.243-2.

**137. We have been attempting to ascertain how the current spot price market indices maintained by Trade Tech and Ux Consulting might be relevant to the "fair market value" of the UF6 that DOE proposes to transfer. As a preliminary matter, we understand that these spot prices reflect UF6 warranted by the seller pursuant to a book transfer at an enricher's facility. DOE's proposed transfer without any warranty and in Portsmouth would have a substantially reduced fair market value, and it would likely have little value until delivered to the enricher and weighed, sampled and analyzed, a process that could take an extended period of time from delivery to the enricher's facility. In light of these issues, and to assure that DOE gets the best value for the Government in exchange for its UF6, would DOE revise the RFP to make the payment in uranium FOB at an enricher's facility after the material has been weighed, sampled and analyzed?**

**Response:** DOE has not revised the RFP; the RFP specifies that current spot price market indices will be used to develop the fair market value of the UF6. DOE will enter into bilateral negotiations with contractor to determine fair market value of services to modify the contract.

**138. Is the contractor authorized to transport the UF6 using government tenders?**

**Response:** The transfer of uranium to the D&D Contractor in exchange for services is an arms length transaction. The D&D Contractor is the commercial owner upon barter transfer as payment for services. Any activities supporting the D&D Contractor's use of

the barter material become the responsibility of the D&D Contractor. DOE does not provide commercial/for-profit access to Government tenders.

**139. In the Answers on Draft Uranium Amendment, DOE stated that it would provide as reference documents the prior arrangements with USEC for compensation by uranium transfer. DOE has not yet posted such documents. When will DOE post these? Also, will DOE disclose the valuation, terms and conditions for FY2010 uranium transfers to USEC?**

**Response:** DOE anticipates providing the terms of the 2010 agreement with USEC when available as it is the most relevant agreement.

**140. Per Amendment A000004, the offeror is to use the design information provided in the “Final Cost Estimate Report for the Onsite Waste Disposal Facility at the Portsmouth Gaseous Diffusion Plant Decontamination and Decommissioning Project Scenarios I, II, III, IV, VI, and VIII, August 31, 2006” as the basis for estimating detail design (C.2.5.4.1) and construction (C.2.5.4.2) of this facility. This reference in the Amendment directly refers to design basis information (“design, size, waste volumes, WAC, construction, etc.”), but does not reference cost.**

**Please confirm that offerors are to prepare their own independent estimate for costs associated with C.2.5.4.1 and C.2.5.4.2 according to the information as provided in the referenced document. If not, please provide the costs from this reference document that are to be used for the design and construction of this facility.**

**Revised Response:** See responses to Questions 45 (revised), 120 and 126 that were posted to the website. In Amendment 4, Section L, Attachment L-10 was revised to state “For cost proposal purposes, the offeror shall not modify or alter the design and construction information contained in the above referenced documents for C.2.5.4.1 and C.2.5.4.2. Offerors shall assume no design work has been started prior to the contract award. Offerors shall assume design effort will start at the time offerors assume full responsibility of the contract. Offerors shall assume design work will be complete in Year 3. Offerors shall spread the design costs evenly throughout the three year period. Offerors shall assume capital construction begins January 1, 2012.

The offerors have not been instructed to prepare an independent estimate of cost for C.2.5.4.1 and C.2.5.4.2. Specific cost information for C.2.5.4.1 and C.2.5.4.2 is located in Table 5D of the referenced cost document. Dollar amounts in Table 5D are not escalated.

**141. Will DOE provide the estimated costs for 2020 for OSWDF Operations C.2.5.4.3? Are the costs provided escalated?**

**Revised Response:** See responses to Questions 45 (revised) and 120 that were posted to the website. Attachment L-10 will be revised to include a table for the escalated cost

of C.2.5.4.3 that is to be used by the offerors and will align the years to the contract period. The revised table is shown below:

<u>PWS</u>		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>
<u>C.2.5.4.3</u>	<u>Operations (cap and closure)</u>	<i><u>Begin receiving waste Jan. 2014</u></i>				<u>\$10,816,575</u>	<u>\$11,141,073</u>

<u>PWS</u>		<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>	<u>Total</u>
<u>C.2.5.4.3</u>	<u>Operations (cap and closure)</u>	<u>\$18,525,529</u>	<u>\$19,081,296</u>	<u>\$19,653,734</u>	<u>\$20,243,346</u>	<u>\$99,461,553</u>

142. The SF30 indicates the due date has not changed, but changes to Section L indicate a new due date of Nov. 13, 2009. Please clarify.

**Response:** A revised SF-30 extending the due date was posted on 10/8/09.